

Inspector General Institute  
Minutes of the Board of Governors Meeting  
March 27, 2006

1. The IG Institute's Board of Governors met on March 27, 2006 (1:15 pm) at the Institute's classrooms, 1735 North Lynn Street, Rosslyn, VA.
2. Attendees were:
  - Robert Emmons, BOG Chairman, IG, Pension Benefit Guaranty Corp (HR Committee)
  - Kenneth Donohue, IG, Housing and Urban Development (Investigations Committee)
  - Jill Gross, AIG, Commerce (Inspection & Evaluation Committee)
  - Kenneth Konz, IG, Corporation for Public Broadcasting (Audit Committee)
  - Dennis Schindel, Deputy IG, Department of Treasury (Audit Committee)
  - James Finkelstein, Associate Dean of School of Public Policy, George Mason University
  - A. Lee Fritschler, Consultant to BOG and Professor at School of Public Policy, George Mason University
  - Cheryl Higgins, HR, OIG, Housing and Urban Development
  - Paul Curtis, CPA, Director Financial Audits, OIG, Environmental Protection Agency (AIC - Agreed Upon Procedures)
  - Tom Sharkey, Acting Executive Director, IG Institute
  - Stephen Lawrence, Board Secretary (departing)
  - Della Whorton, Board Secretary
3. Chairman of the Board of Governors, Mr. Emmons, announced that a quorum existed and opened the meeting.
4. Mr. Emmons introduced and nominated Della Whorton as the Board Secretary to replace Mr. Lawrence. Ms. Whorton was approved as the Secretary to the BOG.
5. Paul Curtis, AIC for the Agreed-Upon-Procedures financial review of the accounting records for the three schools provided a status briefing. Mr. Curtis reminded the BOG that his task was to review cash balances as of 12/31/05. His team has encountered difficulty in obtaining the information needed to complete their work from IGATI, but the team is working through the issue with the Institute staff. The reported \$400,000 balance for Investigations School as of 2/31/05 may increase when accruals are considered. Mr. Curtis responded that there is a need for a skilled accountant to maintain records of the institute and produce reports. Mr. Curtis hopes to finish the Agreed-Upon-Procedures before the next BOG meeting.

Mr. Schindel said that he would make arrangements for Raphael Cumba (from the financial audit group at OIG-Treasury) to work on the team for two additional weeks.

Mr. Emmons asked Mr. Curtis to coordinate his reports with Mr. Schindel and to include recommendations on how to consolidate financial records. He also asked that the Team notify him immediately if they don't get the information they need to complete the audit.

6. Mr. Emmons discussed the tour of FLETC that he, Patrick O'Carroll, Tom Sharkey and Lee Fritschler recently attended. They met with the FLETC Director and her staff, toured the facilities, met one-on-one with the Investigations school staff, observed facilitated training and interviewed students. Mr. Emmons said he now has a better understanding and is very supportive of the facilitated training approach.
7. Mr. Emmons went over a briefing given by Tom Gimble at the March PCIE meeting on DOD's graduate education for the IG community. Greg Friedman asked the Board to consider whether the Institute should oversee the program. After considerable discussion, the Board agreed with Ken Donohue's suggestion to wait until the Institute is fully operational before considering assuming responsibility for the program. In the interim, DOD will continue to manage the program.
8. Jill Gross discussed the recruitment effort. She passed out a copy of the recruiting announcement. James Finkelstein offered to post it to GMU's web-site. Kenneth Konz suggested sending the flyer to all OIG retirees and instructors as an outreach. Ken Donohue said he can put it on the Association of Government Accountants (AGA) web-site.

Della Whorton passed out copies of the advertisement to be posted in the Washington Post with price quotes. Without a pre-established account, the quotes are high. Jim Finklestein said that GMU can get better rates and will research.

Jill Gross will put together screening panels for each position. The Board agreed that at least one member of the Board should be on each screening panel and that final selections would be accomplished by the entire Board.

The following commitments were made:

- GMU will post positions announcements on the GMU web-site.
- Ken Donohue will post positions on the AGA web-site.
- Jill Gross will set up the screening panels and final selection process.
- Della Whorton will send the flyer to Ken Donohue and the position descriptions and advertisement to Jim Finklestein.

- Della Whorton will work with PBGC HR to post positions on USA jobs.
9. Ken Konz briefed the Board on the outsourcing study review. GMU registration has major limitations because it doesn't allow students to register electronically. He is comparing the merit of doing collections in-house or under contract. Ken said that he will brief the Board on his final recommendations in two months.
10. Mr. Sharkey briefed the Board on the following:
- Staffing Changes,
  - Assessment Policy,
  - Enrollment Policy,
  - Cancellation Policy and
  - Status of Board action items

Following the presentation, the Board agreed that: the Institute needs a professional staff member to handle accounting, budgeting and IT; that either the Executive Director or the Special Projects Director would be a federal employee that would oversee the GMU contract. The Board deferred a vote on the Assessment and Enrollment Policy and asked that Tom Sharkey provide additional information.

11. Dennis Schindel said that he and his counsel had determined that the Institute can use the corpus of IGATI as long as it was used for audit training. Because the Institute cannot use the \$550,000 corpus after year end, he recommended that the funds be used to fund two additional introductory audit courses. Bob Emmons asked that Dennis Schindel provide a written opinion from his counsel before any corpus of IGATI is considered because the Executive Committee of the PCIE/ECIE had been told that it was inappropriate to use the corpus without Congressional approval. He also directed the Institute to not expend the corpus until the issue was resolved.
12. Mr. Emmons called the Board into Executive Session and Tom Sharkey, Jim Finklestein and A. Lee Fritschler departed.
- Minutes of the BOG February meeting were accepted and approved.
  - The BOG deferred a decision on the cancellation policy until more information is provided.
  - Dave Williams and Ken Donohue will have their legal staff identify options and Congressional language to give the Institute legal authority.
  - Bob Emmons agreed to research the viability of a cooperative agreement with GMU.
  - Dennis Schindel asked that the Institute provide information on the withholding of FICA by GMU. He is concerned that this increased the cost

of contract instructors by 17%. Previously, the contractors are self employed and pay for this themselves.

- Jill Gross will develop a process for selecting candidates for the advertised positions and present it at the April meeting.

13. Mr. Emmons adjourned the meeting at 4:45 pm. The next scheduled BOG meeting is April 24, 2006, 1 pm to 4 pm, at the IG Institute.